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INEFFICIENCY AND WASTE IN CZECHOSLOVAK PUBLIC OFFICES

Comment: The following examples of negligent administration and lax financial discipline in various national committees, various units of public administration, and in agriculture, appear to have been serious enough to warrant the personal attention of the President of the Republic and the Minister of Agriculture.

LAX FINANCIAL DISCIPLINE AMONG PUBLIC OFFICIALS -- Prague, Prace, 23 May 52

At a conference of the chairmen of the kraj and okres national committees, in February 1952, representing the whole country, President of the Republic Klement Gottwald discussed the need for greater financial discipline among public officials, as follows:

While workers are struggling to increase the productivity of their labor, reduce production costs, use materials more efficiently, and reduce the percentage of rejects and the amount of wasted time, waste of money by administration cannot be tolerated. Inefficiency and waste of state funds are not the rule in the national committees; but where such conditions exist they represent a crude breach of political discipline.

For example, as many as three automobiles of a kraj national committee may be seen at the same place on official trips. Four officials travel daily to Prague from some of the kraj national committees to handle matters which could be dealt with in writing. Two employees of Office IX of the Prague Kraj National Committee spent more than 41,000 crowns on telephone calls on two direct lines during December 1951. When this waste was pointed out to them, their telephone bill for the following month was reduced to "only" 23,000 crowns.

A communal construction enterprise in Prague-West spent 500,000 crowns on an unauthorized garage in Suchdol which must now be torn down because it was built on the property of a state farm. Half a million crowns were wasted as well as hundreds of hours of work.

- 1 -

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Poor management also appears in the issuance of travel funds and in their accounting. An example of this occurred in the kraj water-management service in Jihlava where the funds advanced for official travel for one construction master workman totaled more than 50,000 crowns. Travel accounts were paid without first being audited, and separation payments were made to employees who were receiving treatment at spas. One of the most frequent techniques used to defraud the state by the okres national committees is the use of unauthorized funds.

In the majority of the national committees the referents really work to achieve savings. For example, by concentrating and properly distributing the offices of the Kraj National Committee in Ostrava, the number of buildings which the committee required for operation has been reduced from 13 to five. Seven dwelling units have been released, in addition to one hotel with 70 rooms and one building with 50 rooms. For rent, heating, and building maintenance, as well as for personnel expenses, about a million crowns are being saved annually.

The effort to increase efficiency has been publicized in all possible ways, including the distribution of leaflets. In the Brno Kraj National Committee, during one month, 102 suggestions for improvements were submitted which will result in the saving of over 6 million crowns.

CRITICISM OF AGRICULTURE BY FINANCE MINISTER -- Prague, Zemelske Noviny, 25 Mar 52

On 24 March 1952, Jaroslav Kabes, Czechoslovak Minister of Finance, addressed the National Assembly in connection with the 1952 budget. Minister Kabes particularly emphasized the necessity of reducing costs of production and increasing efficiency.

The minister spoke as follows:

The basic factor in the struggle to increase efficiency is the principle of personal responsibility. Personal responsibility depends on open criticism of the conditions in individual enterprises, ministries, and national committees. My criticism of improper procedures in the STS (Machine-Tractor Station) in Hornatky last year was understood by the comrades in Hornatky and the situation at that station has improved greatly. However, socialist conscientiousness has not yet penetrated all STS. For example, the STS in Kolin gave its employees credit for 29 hours of threshing work on 12 August 1951, 36½ hours the next day, and 38 hours in 2 more days.

Although some STS have not given sufficient attention to their economic achievements, they have spent considerable sums which were allotted to them shortly before Christmas 1951 by the Main Administration for the purchase of necessary equipment, such as pumps, compressors, loading machinery, etc. Instead of buying the recommended equipment they have bought other goods. For example, the STS in Buconice, Domazlice, Horsovesky Tyn, Hustopeč u Brna, Chrast u Plzne, Jablonec nad Nisou, Klatovy, Malec, Mikulov, Miroslav, and others bought radio phonographs for themselves; the STS in Hustopeč u Brna, Chomutov, Mikulov, Opava, and Prelovec bought manure spreaders for themselves. The Investment Bank even approved the purchase of ping-pong tables by the STS in Ludslavice, and of accordions by the STS in Znojmo. The blame for these errors lies with the Main Administration, which wanted at all costs to use the funds allotted for nonconstruction investments by the end of the year. This shows that the Main Administration either drew up the investment plan improperly, or did not pay attention to its fulfillment throughout the year.

- 2 -

RESTRICTED

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Increased conscientiousness is required of the JZD (Unified Agricultural Cooperatives). The agricultural offices of the national committees and the National Front must deal with the JZD from the viewpoint of the specific needs of these cooperatives and of their members. This is, of course, more difficult than delivering general reports and instructions. Where insufficient attention is paid to political conscientiousness or to seeing that every worker understands the purpose of his work, and where negligence is shown toward the technical qualifications which are necessary to manage such large enterprises as the JZD, difficulties arise in drawing up production and financial plans. These shortcomings often result in insufficient care, which also leads to considerable material losses.

During the second half of 1951 alone, 83,073 quintals of straw burned on the JZD in the Czech provinces. A total of 107,632 quintals of straw burned in the Czech provinces in that period, of which 24,559 quintals were destroyed in sectors of agricultural production other than the JZD. In these sectors also it would have been possible to avoid most of the fires by proper organization, but the high proportion of losses on JZD shows that the members do not guard their cooperative property carefully enough.

The failure of agricultural enterprises to adhere to their production and work plans results in both political and material losses. For example, in 1951, the state farm in Kraslice failed to harvest 22 hectares of grain mixtures, 17 hectares of mustard, 3 hectares of potatoes, and 11 hectares of mangel-wurzels. Clearly the responsible officials, from the enterprise up through the General Directorate and the national committees, did not pay sufficient attention to timely mobilization of workers to do the harvest work.

The STS in Kalna, Nitra Kraj, received 1,700,000 crowns from various JZD for work which it did not perform. Guilt also belongs to those who paid these sums, and to the financial institution which lent them. Punishments have already been meted out, but the damage done is irreparable. The prime necessity here is timely control on the spot.

The communal recruitment enterprise of Prague presented a bill, at full price, for material used in an exhibition, even though the material was returned to the enterprise. This probably occurs many times and the full price is always asked. The enterprise probably thought that it was showing so-called commercial astuteness. The blame lies primarily in the lack of responsibility and efficiency of those who pay these bills without objection, or permit them to be paid.

Inefficiency is also to be found in improperly made "considerations." For example, in 1951, the Karlovy Vary Dairies National Enterprise delivered chickens to JZD. Because some cooperatives did not devote sufficient care to the chickens, they died, and the Kraj National Committee in Karlovy Vary billed the dairies for those chickens. Thus, the national enterprise paid for the shortcomings of others, and made no attempt to prevent this.

It is particularly necessary to point out shortcomings in the efficiency of various establishments of the state administration, such as in hospitals and in schools. In the kindergarten in Lenesice u Loun, which accommodates 15 children, the same number of people are on hand for six or nine children as are required in the plan for the entire 15 children. Under such circumstances, it costs 33,800 crowns to keep one child in such a school for a year. In Babice, in Ricany Okres, an average of six to eight children from three or four families went to the newly opened kindergarten throughout the winter of 1951 - 1952. Twenty-seven children were reported at the beginning of the school year, but this number was never actually reached. The average cost per child per year was about 13,750 crowns, since the school had four workers until the end of January; it now has three.

- 3 -

RESTRICTED

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Where was the supervision of the managing authority and of its superior? Such cases can occur only because there is not yet a proper control service either in the ministry or on the national committee level, and because even bank control is not yet sufficiently thorough. A well-organized control organization pays for itself. It must not be considered an administrative luxury, but a necessary part of the socialist apparatus, guarding the proper management of the work of the people.

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- 4 -

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